

## Message Text

CONFIDENTIAL

PAGE 01 LONDON 08566 241627Z

ACTION DOTE-00

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 EB-07 INR-07 NSAE-00 EPG-02 FAA-00 INRE-00  
SS-15 NSC-05 SSO-00 NSCE-00 USIE-00 L-03 /054 W  
-----241645Z 023923 /43

O 241619Z MAY 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 4277

C O N F I D E N T I A L LONDON 08566

PASS DOT (DAVENPORT, KAMM); CAB (WEST, RODRIGUES);  
WHITE HOUSE (JOHNSTON)

E.O. 11652: GDS

TAGS: EAIR, UK

SUBJECT: US-UK CIVAIR NEGOTIATIONS: REPORT ON MAY 24

1. ONLY MEETING ON MAY 24 WAS CAPACITY WORKING GROUP.  
SCHEDULE FOR MAY 25 IS FOLLOW-UP CAPACITY WORKING GROUP  
MEETING; UK WILL RESPOND TO US ON HONG KONG ROUTES. US  
WILL RESPOND TO UK WITH COMMENTS ON LATEST UK DESIGNATION  
PAPER.

2. AT TODAY'S CAPACITY WORKING GROUP MEETING US PRE-  
SENTED REVISED DRAFT CAPACITY ARTICLE. DISCUSSION  
CENTERED AROUND MEASUREMENT OF TRAFFIC, APPLICATION OF  
PENALTY PROVISIONS, AND A PRIORI STANDARDS TO BE APPLIED.

3. TRAFFIC: US PROPOSES TO USE ON-BOARD REVENUE TRAFFIC  
INCLUDING THROUGH TRAFFIC. UK PROPOSES TO EXCLUDE THROUG  
TRAFFIC. ADOPTION OF UK PROPOSAL WOULD FAVOR UK AIRLINES  
BY RESTRICTING CAPACITY ENTITLEMENT FOR US AIRLINES,  
PARTICULARLY IF RELATIVELY HIGH EFFECTIVE SEAT FACTOR  
STANDARD WERE ADOPTED.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 08566 241627Z

4. PENALTY PROVISIONS: US PROPOSES PENALTIES FOR FAIL-  
ING TO MEET PERFORMANCE OBJECTIVES BE APPLIED TO INDIVI-  
DUAL AIRLINES IN A MARKET. UK PROPOSES THAT PENALTIES BE  
IMPOSED ON ALL AIRLINES WHERE AGGREGATE LOAD FACTORS  
(ALL CARRIERS TOGETHER) ARE BELOW STANDARD.

5. STANDARDS: US PROPOSES TO BASE INITIAL STANDARDS ON

SITUATION IN INDIVIDUAL MARKET (TRAFFIC MIX, YIELD, COST, CARGO/MAIL REVENUE ALL BEING TAKEN INTO ACCOUNT). AFTER INITIAL PERIOD, US PROPOSES TO USE GUIDANCE FROM TARIFF GROUP ON RATE MAKING SEAT FACTOR STANDARD. UK ADVOCATES SINGLE, SIMPLE/65 PERCENT SEAT FACTOR STANDARD, AGREED TO IN ADVANCE.

6. COMMENT: UK PROPOSALS GENERALLY WOULD IMPEDE AIRLINE ABILITY TO COMPETE, AND WOULD LEAD TO EQUAL FREQUENCIES BEING IMPOSED ON EACH CARRIER IN A MARKET. UK (ROGERS) STATED THAT ANY CONCESSION TO UK IN NORTH ATLANTIC ROUTE AREA WOULD BE DEPENDENT ON ACCEPTANCE OF UK CAPACITY DEMANDS.

7. SHOVELTON CONCLUDED SESSION BY STATING THAT UK WOULD CONSULT WITH ITS CARRIERS AND WOULD PROVIDE US WITH FRESH DRAFT CAPACITY ANNEX AT NEXT MEETING.

MILLER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NEGOTIATIONS, AVIATION AGREEMENTS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 24-May-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LONDON08566  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770185-0004  
**Format:** TEL  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770524/aaaaausl.tel  
**Line Count:** 81  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 10c0568b-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION DOTE  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 15-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2393502  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** US-UK CIVAIR NEGOTIATIONS: REPORT ON MAY 24  
**TAGS:** EAIR, UK, US  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/10c0568b-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009